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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	
THE COMMISSIONER OF BUSINESS)	CONSENT ORDER
OVERSIGHT,)	
Complainant,)	
v.)	
MARCUS BRAY AND BRADFORD)	
SOLUTIONS, LLC,)	
Respondents.)	

This Consent Order is entered between the Department of Business Oversight (Department) through the Commissioner of Business Oversight (Commissioner), on the one hand, and Marcus Bray and Bradford Solutions, LLC (collectively, Respondents) on the other hand (hereafter, the Parties), and is made with respect to the following:

RECITALS

A. At all relevant times, Marcus Bray, a California resident was sole owner and doing business as Bradford Solutions, LLC, with a business address of 10 Entrada Circle, American Canyon, CA 94503.

1 B. At all relevant times, Woodbridge Group of Companies, LLC was a company formed
2 in California with a business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks,
3 California 91423.

4 C. Beginning as early as July 2012, Woodbridge Group of Companies, LLC and its
5 affiliates, including but not limited to WMF Management, LLC, Woodbridge Structured Funding,
6 LLC, Woodbridge Pre-Settlement Funding, LLC, Woodbridge Mortgage Investment Fund 1, LLC,
7 Woodbridge Mortgage Investment Fund 2, LLC, Woodbridge Mortgage Investment Fund 3, LLC,
8 Woodbridge Mortgage Investment Fund 3A, LLC, Woodbridge Mortgage Investment Fund 4, LLC,
9 Woodbridge Commercial Bridge Loan Fund 1, LLC, Woodbridge Commercial Bridge Loan Fund 2,
10 LLC (collectively, Woodbridge) offered securities in California to investors in the form of lending
11 agreements, some of which were referred to as “First Position Commercial Mortgage Notes,”
12 “mezzanine loans,” “construction loans,” and “Co-Lending Opportunities” (collectively, FPCMs).

13 D. FPCMs investors were solicited to invest anywhere between \$25,000 to well over
14 \$250,000 to give to Woodbridge to pool with other investor monies. Woodbridge then lent the
15 pooled monies to third-party borrowers for a short time at a high interest rate to finance the
16 acquisition and/or development of real property in California, Colorado, and other states. FPCMs
17 investors had no role in selecting or vetting the purported third-party borrower. FPCMs investors
18 also had no decision-making role or management in negotiating the terms of the loans with the third-
19 party borrower, nor did they have any decision-making role in the real estate acquisition or
20 development.

21 E. In exchange for lending money to Woodbridge, FPCMs investors were promised that
22 they would “[e]arn a secured yield as high as 5%” in fixed monthly interest payments, for a term of
23 nine, twelve, or eighteen months, with options to renew or “reposition” their lending toward a
24 different real property at the end of the term. FPCMs investors were told that the loans they were
25 making were secured by a “collateral assignment of note, mortgage, and other loan documents,”
26 which would be recorded with the real property that was the subject of the loan. FPCMs investors
27 were told that the recorded documents would give them a “first position” lien interest in the subject
28 real property, and that this would allow FPCMs investors to be paid back first in the event the

borrower defaulted on the loan. Woodbridge assured FPCMs investors that Woodbridge would pay them the interest payments regardless of whether the borrower defaulted on the loan. FPCMs investors were also assured they would get back their full principal at the end of the term if requested.

F. Woodbridge used inhouse employees called “consultants” and paid external referrers, insurance salespersons, investment advisors, and financial planners to solicit and sell Woodbridge securities, including FPCMs, in California.

G. Beginning in 2013, Marcus Bray and Bradford Solutions, LLC became agents of Woodbridge, in which capacity they offered and sold FPCMs issued by Woodbridge to California investors.

H. Marcus Bray and Bradford Solutions, LLC advised their clients in California to invest in FPCMs issued by Woodbridge.

I. Marcus Bray and Bradford Solutions, LLC received sales commission from Woodbridge of at least five percent for each dollar invested, totaling over \$594,132.07. Further, each time investors reinvested their initial investments – and some investors “repositioned” or renewed their investment more than once – Marcus Bray and Bradford Solutions, LLC received yet another commission. Marcus Bray and Bradford Solutions, LLC’s clients invested collectively over \$5,751,500.00 in Woodbridge FPCMs through Marcus Bray’s and Bradford Solutions, LLC’s efforts.

J. Neither Marcus Bray nor Bradford Solutions, LLC had secured from the Commissioner, nor any other similar licensing entity, a certificate authorizing them to sell or induce the sale of securities between 2014 and 2016.

K. Neither Marcus Bray nor Bradford Solutions, LLC had secured from the Commissioner, nor from any other similar licensing entity, a certificate to offer investment advice for compensation between 2014 and 2016.

L. The Commissioner is of the opinion that the FPCMs issued and offered by Woodbridge, through Marcus Bray and Bradford Solutions, LLC, are securities subject to qualification under the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.) that have been offered or sold without first being qualified in violation of Corporations Code section 25110.

M. Furthermore, the Commissioner is of the opinion that Marcus Bray and Bradford Solutions, LLC effected, induced, or attempted to induce the purchase or sale of securities in the form of FPCMs as broker-dealers in the State of California without first applying for and securing from the Commissioner a certificate authorizing them to act in that capacity, in violation of Corporations Code section 25210.

N. Furthermore, the Commissioner is of the opinion that Marcus Bray and Bradford Solutions, LLC have conducted business as investment advisers for compensation in this state without first securing from the Commissioner a certificate, then in effect, in violation of Corporations Code section 25230, subdivision (a).

O. Respondents admit to the jurisdiction of the Commissioner with respect to the subject matter hereof and agree to the execution of this Consent Order as a resolution of the matter without the need to initiate litigation.

P. The Commissioner finds this Consent Order is appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Corporate Securities Law of 1968 (CSL).

NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. The purpose of this Consent Order is to resolve the foregoing issues in a manner that avoids the expense of a hearing and possible other court proceedings.

2. Desist and Refrain Order. Marcus Bray and Bradford Solutions, LLC are hereby ordered to desist and refrain from the offer or sale of securities, in the State of California, including but not limited to lending agreements such as FPCMs, unless and until qualification has been made under said law or unless the security is exempt. Marcus Bray and Bradford Solutions, LLC are further hereby ordered to desist and refrain from effecting, inducing or attempting to induce the purchase or sale of securities in this state as broker-dealers without first applying for and securing from the Commissioner a certificate authorizing them to act in that capacity. Marcus Bray and Bradford Solutions, LLC are further hereby ordered to desist and refrain from acting as investment

1 advisers in the State of California unless and until they have first applied for and secured from the
2 commissioner a certificate authorizing them to act as investment advisers, or unless exempt.

3 3. Waiver of Hearing Rights. Respondents have read this Consent Order, are aware of
4 their rights to a hearing and appeal in this matter if a formal enforcement action had been
5 commenced to request the relief specified under this Consent Order, and elect to permanently waive
6 any right to a hearing and appeal, including those rights under the CSL, the California
7 Administrative Procedures Act (Gov. Code, § 11400 et seq.), and the Code of Civil Procedure with
8 respect to the issuance of the Desist and Refrain Order specified in Paragraph 2.

9 4. Future Actions by the Commissioner. The Parties acknowledge and agree that nothing
10 contained in this Consent Order shall operate to limit the Commissioner's ability to assist any other
11 agency, (county, state or federal) with any prosecution, administrative, civil or criminal, brought by
12 any such agency against Respondents based upon the subject matter hereof or otherwise. This
13 Consent Order shall not limit the ability of the Commissioner to bring any administrative or civil
14 action to enforce compliance with this Consent Order or to seek penalties for its violation. Further,
15 the Commissioner reserves the right to bring any future action(s) against Respondents or any of the
16 managers, officers, directors, shareholders or employees of Respondents for all unknown or future
17 violations of the CSL.

18 5. Independent Legal Advice. Respondents represent, warrant, and agree that they have
19 had the opportunity to seek independent advice from legal counsel and/or representative with respect
20 to the advisability of executing this Consent Order.

21 6. No Other Representation. Each of the Parties represents, warrants, and agrees that in
22 executing this Consent Order each has relied solely on the statements set forth herein and the advice
23 of its own counsel and/or representative. Each of the Parties further represents, warrants, and agrees
24 that in executing this Consent Order it has placed no reliance on any statement, representation, or
25 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
26 failure of any party or any other person or entity to make any statement, representation or disclosure
27 of anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any
28 party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the

1 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent
2 Order.

3 7. Modifications and Qualified Integration. No amendment, change, or modification to
4 this Consent Order shall be valid or binding to any extent unless it is in writing and signed by all the
5 parties affected by it.

6 8. Full Integration. This Consent Order is the final written expression and the complete
7 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
8 between the parties with respect to the subject matter hereof, and supersedes all prior or
9 contemporaneous agreements, negotiations, representations, understandings, and discussions between
10 and among the parties, their respective representatives, and any other person or entity, with respect to
11 the subject matter covered hereby.

12 9. No Presumption from Drafting. In that the Parties have had the opportunity to draft,
13 review and edit the language of this Consent Order, no presumption for or against any party arising
14 out of drafting all or any part of this Consent Order will be applied in any action relating to,
15 connected, to, or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil
16 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
17 language of a contract should be interpreted most strongly against the party who caused the
18 uncertainty to exist.

19 10. Limited Nature of Consent Order. Respondent neither admits nor denies the
20 allegations and violations set forth in paragraphs B through N, above, in this Consent Order. As part
21 of this Consent Order the Respondent agrees that he: (i) will not take any action or make or permit to
22 be made any public statement denying, directly or indirectly, any allegation in the Consent Order or
23 creating the impression that the Consent Order is without factual basis; and (ii) will not make or
24 permit to be made any public statement to the effect that the Respondent does not admit the
25 allegations of the Consent Order, or that this Consent Order contains no admission of the allegations,
26 without also stating that Respondent does not deny the allegations. If the Respondent breaches this
27 agreement, the Department may vacate this Consent Order and restore this action. Nothing in this
28 paragraph affects the Respondent's: (i) testimonial obligations; or (ii) right to take differing legal or

factual positions in litigation or other legal proceedings.

11. Effect Upon Future Proceedings. If Respondents apply for any license, permit or qualification under the Commissioner's current or future jurisdiction, or are the subject of any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceedings(s).

12. Counterparts. This Consent Order may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document.

13. Terms, Headings and Governing Law. All terms used, but not defined herein, shall have the meaning assigned to them by the CSL. The headings to the paragraphs of this Consent Order are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This Consent Order shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

14. Authority for Settlement. Each party warrants and represents that such party is fully entitled and duly authorized to enter and deliver this Consent Order. In particular, and without limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to enter the covenants, and undertake the obligations set forth herein.

15. Public Record. Respondents acknowledge that this Consent Order is a public record. Respondents further understand and agree to not make any statement or representation that is inconsistent with the Consent Order.

16. Voluntary Agreement. The Parties each represent and acknowledge that in executing this Consent Order, each does so completely voluntarily and without any duress or undue influence of any kind from any source.

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17. Effective Date: This Consent Order shall become effective when executed by the Commissioner or her designee and transmitted by electronic mail (email) to Respondents' designee at anderson.d@wssllp.com.

Dated: 8/2/18

JAN LYNN OWEN
Commissioner of Business Oversight

By: MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 8/1/18

MARCUS BRAY

BRADFORD SOLUTIONS, LLC

Dated: 8/1/18

By: MARCUS BRAY
Owner

Approved as to form:

Derek C. Anderson, Esq.
Winget, Spadafora & Schwartzberg, LLP
Attorney for Marcus Bray and Bradford Solutions, LLC